Half-year Financial Report 2018

Housing life
HOME INVEST BELGIUM

Highlights

Growth of the Portfolio

• Delivery of “The Pulse” estate in Molenbeek-Saint-Jean (96 units).
• Acquisition under conditions precedent of BE REAL ESTATE S.A. (185 units).

Excellent Performance of the Property Portfolio

• Value of investment properties increased by 5.5%[1];
• Occupancy rate of the buildings in operation of 96.56%.

Substantially Improved Results

• Net result from core activities increased by 4.0%[2];
• Improvement of operating margin at 68.7%[2].

Strengthening of the Financial Structure

• Debt ratio reduced to 49.04%.

[1] As compared to December 31st, 2017.
[2] As compared to results from June 30th, 2017.

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THE 1ST HALF-YEAR AT A GLANCE

The 1st half of the year was marked by good results: the RREC (Regulated Real Estate Company) continued the development of its real estate portfolio. The net result from core activities grew slightly, thanks to the full contribution of past acquisitions and the project "The Pulse" delivered in the beginning of 2018.

This semester was closed with the acquisition under conditions precedent of BE Real Estate S.A., owner of four "apart-hotel" buildings in Brussels.

With this acquisition, Home Invest Belgium confirms its desire to broaden its range of investments in tourist accommodation. Long term, this type of asset could represent 25% of its portfolio.

In May 2018, Home Invest Belgium became a member of Ecobuild, a network of Brussels' sustainable construction and renovation actors: http://www.ecobuild.brussels/en.

We kindly invite you to consult the detailed information of our achievements in the following pages.

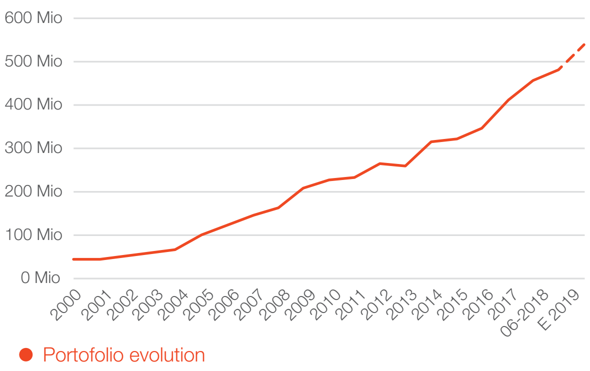
Dominicains Grand-Place, Brussels

Property Portfolio

At June 30th, 2018, Home Invest Belgium holds a portfolio of buildings spread across 53 sites, 2 ongoing development projects and 2 development projects under study, whose total fair value is estimated at € 482.5 million.

EVOLUTION OF THE PORTFOLIO

In the balance sheet, the fair value of the operational real estate investments and development projects amounts to € 482.5 million against € 457.6 million end 2017, an increase of 5.5%.



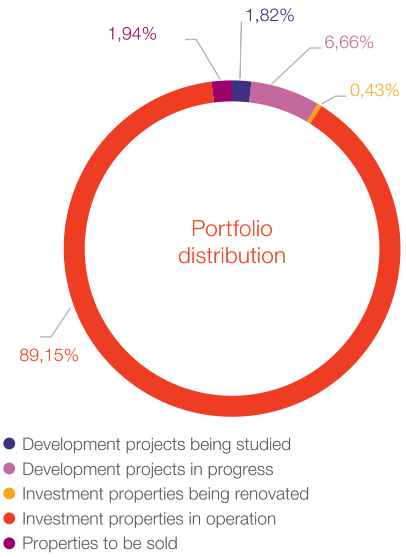
The valuation of the portfolio is entrusted to three real estate experts: in their report dated June 30th, 2018, Cushman & Wakefield, CBRE et BNP Paribas Real Estate, in charge of valuing the entirety of the portfolio, stated that the investment value of the operational properties amounts to € 507 674 000, resulting in a fair value within the IFRS standards of € 463 041 441.

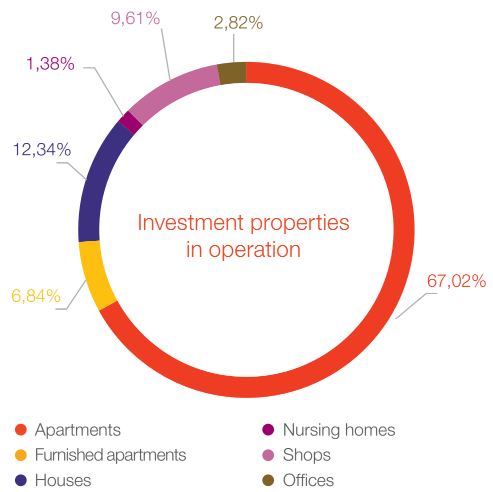
On a like for like basis, the fair value of the portfolio has increased by 5.5% during the last quarter. This evolution of the valuation is justified by taking into account references of important recent transactions in the residential market, on an institutional level.

The fair value of the operational real estate investments is € 463.0 millions as compared to € 423.1 million six months earlier. This growth can be justified mainly by the delivery of the development project "The Pulse" at the beginning of the year.

The operational real estate investments located in the Brussels-Capital Region currently represent 65.01% of the portfolio, those in the Walloon Region 15.20%, those in the Flemish Region 9.10% and those in the Netherlands 10.69%.

The breakdown of this portfolio, calculated on the basis of the fair value of the buildings, is as follows:





Therefore, the residential part of the operational real estate investments amounts to 87.6%.

Interim Management Report

Highlights of the Semester

EVOLUTION OF THE PROPERTY PORTFOLIO

ACQUISITIONS

BE REAL ESTATE

On June 27th, 2018, Home Invest Belgium concluded an agreement (under conditions precedent), to acquire the company BE REAL ESTATE S.A., owner of four “apart-hotel” buildings in Brussels, offering furnished apartment rentals with hotel services (reception, cleaning, laundry, etc.).

The first building is located in the heart of the European district, Ambiorix Square n°28, the second one is in the close vicinity of Grand-Place, Dominicains Street n°25, the third building is located on the Montgomery square, Tervuren Avenue n°149 and the last building is located in the vicinity of Madou Square and the Royal Circus, on Regent's Boulevard. With this transaction, 185 new units will be added to the portfolio of the RREC.

The properties will continue to be operated under the brand B APARTHOTELS by the company BEAPART S.A., beneficial owner of a leashold over a period of 27 years: https://b-aparthotels.com/.

The fulfilment of the conditions precedent is expected before the end of 2018.

Regent’s Boulevard, Brussels

Tervuren Avenue, Woluwe-Saint-Pierre

DEVELOPMENTS

During the course of the semester, significant progress was made in the development of the projects carried out by the RREC.

PROJECT REINE ASTRID

Reine Astrid Avenue 278, 1950 Kraainem

The works are currently in their final phase.

The reception of the works is foreseen in November 2018. The building consists of 40 units and several commercial areas (± 1 200 m²). A nursery and a bank rented the ground floor of the building and will move in there in the near future.

PROJECT BRUNFAUT

Brunfaut Street and Fin Street, 1080 Molenbeek

The deep foundations (piles) are now finalized.

The earthworks are in progress. In total, the building consists of 93 apartments and 66 parking lots.

Also, 1 433 m² is reserved for offices or proximity services responding to the local needs. The reception of the works is expected by the end of 2019.

Reine Astrid, Kraainem

Brunfaut, Molenbeek

PROJECT MTC2

Marcel Thiry Avenue,1200 Woluwe-Saint-Lambert

The procedure for obtaining the planning permit for this project, consisting of 42 apartments, is in progress.

The permit has been granted on August 2nd.

The procedure now entered the appeal period of 60 days.

PROJECT JOURDAN

Jourdan Street 95, 1060 Saint-Gilles

The procedure for obtaining the planning permit, for this building consisting of fifty apartments, is in progress.

Project MTC2, Woluwe-Saint-Lambert

Project Jourdan, Saint-Gilles

ADMINISTRATION

LAUNCH OF "THE PULSE" ESTATE IN MOLENBEEK

On May 18th, Home Invest Belgium inaugurated the estate "The Pulse" in the presence of the communal authorities and the first tenants of the site. This project, located in the heart of the Karreveld district in Molenbeek, will revitalize and add a touch of modernism to this neighbourhood where new constructions are scarce. The first units were delivered in December 2017, the last ones in May 2018. Today, 51% of the apartments are let, i.e. 49 units.

OCCUPANCY RATE

The average occupancy rate for the first semester of this fiscal year is 89.37%, an increase compared to the first quarter (88.92%). This rate includes all properties in the portfolio, whether they are available for lease, but also those being renovated, for sale, or first rentals after the reception of the works.

The occupancy rate of the "core[3]" properties remains at a very high level of 96.56%, proving that the residential rental market remains strong in the locations where the RREC is active.

"The Pulse" estate, which was delivered between December 2017 and May 2018, reached an occupancy rate of 51%. So far, 49 units have been rented.

PORTFOLIO REJUVENATION

Leopold and Saint-Hubert 4 (Liège)

Two of the four buildings owned in Liège are undergoing a thorough renovation, bringing them up to market standards.

The works in the Saint-Hubert 4 building have been temporarily interrupted and should resume during the 4th quarter of 2018.

The works in the Leopold building are making good progress. The building will be delivered in two phases, the first one at the end of 2018.

Scheldevleugel (Oudenaarde)

While the studios already renovated are experiencing great rental success, the 3rd phase of the renovations of the rest of the apartments and of the common spaces of the Scheldevleugel building in Oudenaarde will start now, in September.

Thanks to these renovations, Home Invest Belgium's portfolio is significantly "younger" than the market average, since less than 23% of the market properties have not been thoroughly renovated in the past 20 years.

The Pulse, Molenbeek

Léopold, Liège

[3] Excluding furnished apartments (short-term) (68.4%), buildings under renovation (47.8%), buildings being sold (85.6%) and buildings that are being commercialized for the first time (68%).

SALES

Besides the Mélèzes buildings (Woluwe-Saint-Lambert), Jardins de la Cambre (Ixelles), Bosquet-Jourdan (Saint-Gilles) and Orangerie (Wetteren), which are already on sale, three new buildings are also added to the list: Erainn (Etterbeek), Baeck (Molenbeek) and Florida (Waterloo).

An amendement to the IFRS standards, implemented since the beginning of 2018, requires the sales to be registered at the time of the recording of the deed.

Previously, these sales were registered at the time of the conclusion of the preliminary sales agreement or after the fulfillment of any possible conditions precedent contained in it.

As a consequence, this year, the "effective" period of sales is shortened by ± 3 months (usual frametime between the preliminary agreement and the registration of deed). The majority of the former deeds of the last quarter concerned agreements signed in 2017 and which had thus already been registered in the distributable capital gains of 2017.

The company anticipates that, for the year 2018, the contribution of added values resulting from sales to the distributable result, will be inferior to that of 2017. This effect is temporary and limited to 2018.

Erainn, Etterbeek

Bosquet-Jourdan, Saint-Gilles

Mélèzes, Woluwe-Saint-Lambert

Corporate Governance

COMPOSITION OF THE BOARD OF DIRECTOS

At the Annual Shareholders' Meeting on May 2nd, the mandates as directors of Mr. Liévin Van Overstraeten and Mrs. Sophie Lambrighs were renewed. The Board of Directors re-appointed Mr. Lievin Van Overstraeten as Chairman of the Board of Directors.

OVERVIEW OF THE COMPOSITION OF THE BOARD OF DIRECTORS AND THE COMMITTEES AS PER JUNE 30th, 2018

Name	Board of Directors	Investment Committee	Audit Committee	Appointments and Remuneration Committee	Projects Committee
Liévin Van Overstraeten	Chairman, Director	-	Member	Chairman	-
Eric Spiessens	Vice-Chairman, Independent Director	-	Chairman	Member	-
Sophie Lambrighs[4]	Managing Director	Member	-	-	Member
Wim Aurousseau	Director	-	Member	-	-
Laurence de Hemptinne	Independent Director	Member	-	Member	-
Koen Dejonckheere	Independent Director	-	-	-	-
Johan Van Overstraeten	Director	Chairman	-	-	Chairman
Alain Verheulpen	-	Member	-	-	Member

COMPOSITION OF MANAGEMENT

At June 30th, 2018, the company's management was carried out by the four effective leaders, namely Mrs Sophie Lambrighs, CEO and Messrs. Jean-Luc Colson[5], CFO, Filip Van Wijnendaele[6], COO and Nicolas Vincent, CIO.

[4] See page 9 "Significant post-balance sheet events".
[5] Permanent representative of SPRL YLKATT.
[6] Permanent representative of SPRL FVW CONSULT.

Significant Post-Balance Sheet Events

CHANGE IN THE MANAGEMENT OF HOME INVEST BELGIUM

Home Invest Belgium and Sophie Lambrighs, Chief Executive Officer, have agreed, by mutual consent, to cease their collaboration, on the basis of the contractual provisions with regard to departure, as set out in the Corporate Governance Statement of the Annual Report. Her mandate as Managing Director and Effective Leader of Home Invest Belgium ended on July 10th, 2018.

Home Invest Belgium and Nicolas Vincent, have agreed, by mutual consent, to terminate their collaboration.
The mandate of Mr. Vincent as Chief Investment Officer and Effective Officer of Home Invest Belgium ended on July 10th, 2018.

Until the appointment of a new CEO, the effective leadership of the company will be temporarily ensured by:

- Mr. **Jean-Luc Colson, CFO**;
- Mr. **Filip Van Wijnendaele, COO**;
- Mr. **Liévin Van Overstraeten** (subject to approval by the FSMA);
- Mr. **Johan Van Overstraeten** (subject to approval by the FSMA).

FORWARD-LOOKING STATEMENTS

The company's revenues derive from the leasing of its properties as well as from its regular selective divestment of a portion (± 4%) of its portfolio.

The rental market is supported by demographic growth observed in the large Belgian cities, although impacted by low inflation. The sales market is sustained by low interest rates which boosts households' borrowing capacity.

Throughout the first semester of 2018, the company continued prospecting new acquisitions, as well as its development activities, portfolio management and arbitrage activities.

The Board of Directors confirms its confidence in the continued growth of the company's results. For the current fiscal year, the Board considers that the dividend for 2018 should be at least equal to that of the previous fiscal year, unless substantial deterioration of the residential real estate market for sale and / or lease (what the Board does not expect at the date of this report) or other unforeseen events suddenly arise.

In accordance with its dividend distribution policy, Home Invest Belgium will announce the amount of the interim dividend on the date of publication of its results of the 3rd quarter of 2018 (October 25th). This amount will be paid during the month of December 2018.

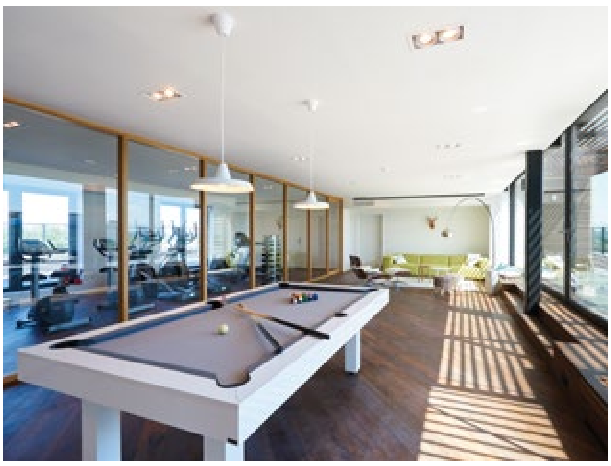
INFORMATION ON FORWARD-LOOKING STATEMENTS

This half-year financial report contains forward-looking information based on the company's plans, estimates and projections, as well as its reasonable expectations related to external events and factors.

Due to its nature, this forward-looking information involves risks and uncertainties which may result in deviations in the actual results, financial condition, performance and achievements. Given these uncertainties, the statements relating to the company's future can not be guaranteed.

MAIN RISKS AND UNCERTAINTIES

The Board of Directors considers that the main risk factors listed on pages 4 to 17 of the 2017 annual financial report remain relevant for this half-year report.



The Horizon, Woluwe-Saint-Lambert

Share and Shareholding Structure

Share Price

In the six-month period under review, the closing price of the Home Invest Belgium share varied between a low of € 83.20 and a high of € 93.00.

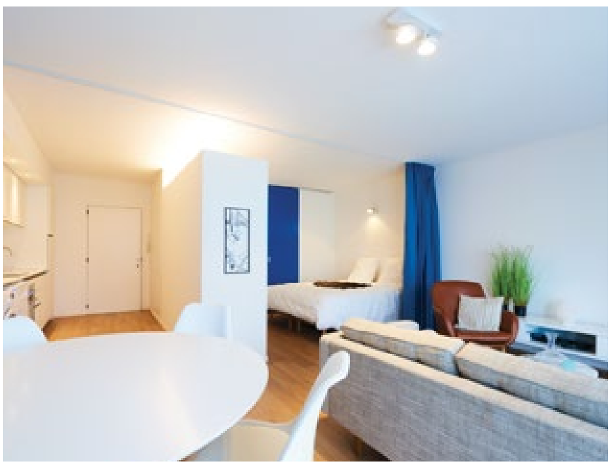
Until the end of February, the share continued its decline that began at the end of 2017, followed further by a slight recovery and a stabilization.

On the last trading day of the half-year, June 29th, 2018, the closing price was € 87.40. The average price during the semester stood at € 86.75.

CHANGE IN THE SHARE PRICE AND THE GROSS DIVIDEND

The premium between the share price (€ 87.40) and the statutory net value per share (€ 72.41) at June 30th, 2018, amounted to 20.7%.

Compared to the net value adjusted to exclude the hedges (€ 75.03), the premium amounts to 16.5%.



Scheldevleugel, Oudenaarde

COMPARAISON OF STOCK MARKET TRENDS COMPARED WITH VARIOUS INDEXES

Shareholders

According to the transparency declarations issued by shareholders exceeding the statutory threshold of 3% of the company's share capital, on June 30th, 2018, the shareholding structure of the company is as follows:

Shareholders	Number of shares	In % of the capital
Van Overstraeten Group[7, 8]	880 965	26.70%
AXA Belgium SA[7, 9]	537 830	16.30%
Mr. Antoon Van Overstraeten[7]	121 916	3.69%
Van Overtveldt – Henry de Frahan spouses[7]	102 792	3.12%
Other shareholders	1 656 355	50.19%
Overall total	**3 299 858**	**100.00%**

[7] Shareholders who deposited a statement in accordance with the law of May 2nd, 2007 regarding transparency.

[8] Stavos Luxemburg SA is 97% controlled by Burgerlijke Maatschap BMVO 2014. BMVO 2014 is 25% controlled by Stichting Administratiekantoor Stavos and 75% controlled by Burgerlijke Maatschap Van Overstraeten. Burgerlijke Maatschap Van Overstraeten is 99.9% controlled by Stichting Administratiekantoor Stavos. Stichting Administratiekantoor Stavos is controlled by Liévin, Hans, Johan en Bart Van Overstraeten. Cocky NV is 99.9% controlled by Burgerlijke Maatschap Van Overstraeten. VOP NV is 99.9% controlled by Stavos Luxemburg SA.

[9] AXA Belgium is a subsidiary of AXA Holdings Belgium which is itself a subsidiary of AXA NV.

Consolidated Condensed Financial Statements

The Board of Directors met on September 5th, 2018 to prepare the consolidated half-year financial statements, as at June 30th, 2018.

The accounting policies and calculation methods used in the interim financial statements, as recorded in this half-year financial report, are identical to those used for the preparation of the annual financial statements of December 31st, 2017, except for the information which is described here below.

This half-year report applies the IAS 34 standard, prescribing both the minimum content of this interim financial report and the accounting and valuation principles to apply.

Given the company's activity, the figures presented are neither seasonal nor cyclical in nature.

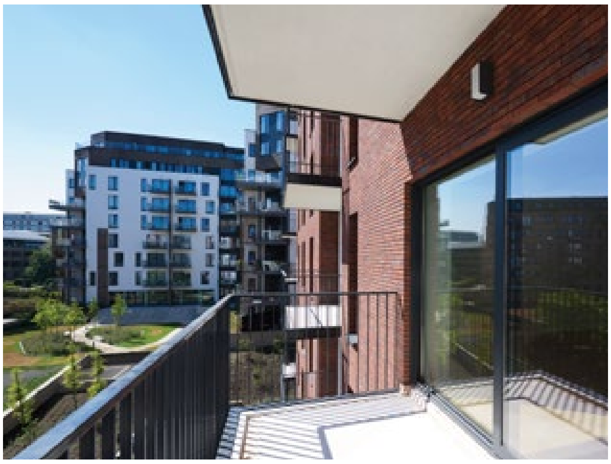
Finally, the percentages quoted have been calculated on the basis of unrounded figures from the profit and loss account or from the balance sheet, and may therefore differ from those calculated on the basis of the rounded figures communicated in the following pages.

Since the company has not applied, even in anticipation, any new standards or any new amendments to those standards, there is no impact on the financial statements under review.

Reminder: an amendment to the IFRS standards, implemented since the beginning of 2018, has an impact on the sales accounting period. The share of the added-value resulting from sales to the distributable result will therefore be less important than in 2017.

This effect is temporary and limited to 2018.

Galerie de l'Ange, Namur



The Inside, Woluwe-Saint-Lambert

Haverwerf, Mechelen

Consolidated Financial Statement

	30/06/2018	30/06/2017
I. Rental Income	12 108 196	10 959 995
III. Rental-related expenses	-183 239	-64 804
NET RENTAL RESULT	11 924 957	10 895 191
IV. Recovery of property charges	36 873	48 161
V. Recovery of charges and taxes normally payable by the tenant on let properties	633 722	515 016
VII. Charges and taxes normally payable by the tenant on let properties	-2 838 756	-2 297 645
VIII. Other incomes and expenses related to letting	-650	-30 000
PROPERTY RESULT	9 756 145	9 130 724
IX. Technical costs	-624 526	-638 641
X. Commercial costs	-71 715	-137 330
XI. Taxes and charges on unlet properties	-115 447	-132 844
XII. Property management costs	-1 869 349	-1 694 223
XIII. Other property costs	-9 008	16 703
PROPERTY COSTS	-2 690 044	-2 586 335
PROPERTY OPERATING RESULT	7 066 101	6 544 388
XIV. General corporate expenses	-368 757	-357 108
XV. Other operating incomes and expenses	0	-70 213
OPERATING RESULT BEFORE PORTFOLIO RESULT	6 697 344	6 117 067
XVI. Result sale investment properties	11 928	-147 104
XVIII. Changes in fair value of investment properties	21 422 816	2 949 834
XIX. Other portfolio result	-291 553	0
OPERATING RESULT	27 840 535	8 919 797
XX. Financial income	20 051	35 206
XXI. Net interest charges	-2 185 581	-1 764 613
XXII. Other financial charges	-28 920	-25 564
XXIII. Changes in fair value of financial assets and liabilities	-587 798	1 429 687
FINANCIAL RESULT	-2 782 248	-325 284
PRE-TAX RESULT	25 058 287	8 594 513
XXIV. Corporation tax	-140 586	-86 344
XXV. Exit tax	0	-81 555
TAXES	-140 586	-167 899
NET RESULT	**24 917 702**	**8 426 615**
NET RESULT ATTRIBUTABLE TO THE PARENT COMPANY	**24 917 702**	**8 426 615**
NET RESULT PER SHARE	**7.39**	**2.68**

Average number of shares [1]	3 288 146	3 147 897
NET RESULT FROM CORE ACTIVITIES	4 362 309	4 194 197
NET RESULT FROM CORE ACTIVITIES PER SHARE	**1.33**	**1.33**
DISTRIBUTABLE RESULT	4 856 539	5 744 914
DISTRIBUTABLE RESULT PER SHARE	**1.48**	**1.83**

Statement of comprehensive income	30/06/2018	30/06/2017
I. Net result	24 917 702	8 426 615
II. Other items of comprehensive income:		
B. Changes in the efficient part of the fair value of hedging instruments authorised as cash flow as defined in IFRS	0	296 838
1. Effective hedging instruments	0	296 838
COMPREHENSIVE INCOME (I + II)	**24 917 702**	**17 602 288**

[1] The number of shares at the end of period was calculated without the 11712 shares held in auto-control.

NET RENTAL RESULT

The rental income amounts to € 12.1 million compared to € 11.0 million in June 2017 (+ 10.5%), due to buildings formerly under construction, becoming operational.

The rental expenses amounted to € 0.2 million, mainly due to limited trade receivables, compared to last year when few losses were registered.

The net rental result thus amounts to € 11.9 million compared to € 10.9 million one year earlier, an increase of 9.5%.

PROPERTY RESULT

The rental charges and taxes normally borne by the tenant are mainly composed of property taxes paid by the RREC, and amount to € 2.8 million. Part of these taxes (€ 0.6 million) could however be charged to certain tenants, in accordance with the applicable legislation (retail spaces, offices, rest homes).

Consequently, the property result stands at € 9.8 million, an increase of 6.8% compared to the previous year.

THE OPERATING PROPERTY RESULT

The operating property result amounts to € 7.1 million, an increase of 8.0% compared to the € 6.5 million registered in June 2017.

Due to the expansion of the property portfolio, the technical expenses, as well as the internal management costs are increasing.

THE OPERATING RESULT BEFORE PORTFOLIO RESULT

The RREC's general corporate expenses include all expenses that are not directly related to the operation of buildings and the management of the corporation.

They remain stable thus registering an operational result before result on portfolio of € 6.7 million, compared with € 6.1 million recorded end June 2017, realizing an increase of 9.5%.

THE OPERATING RESULT

The portfolio result is once again positive and amounts to € 21.4 million. It results from a positive change in the fair value of the investment properties, amounting to € 21.4 million.

The section XIX “Other results on portfolio” corresponds to the deferred tax which Home Invest Belgium should support in case of arbitration or merger with one of its subsidiaries in the future. The amount of € 291 553 is not included in the calculation of the distributable result.

This result demonstrates once again Home Invest Belgium's capacity to preserve the value of its portfolio and its ability to generate recurring capital gains in the interest of its shareholders.

The operating result, after taking into account the result on the portfolio, amounts to € 27.8 million, compared to € 8.9 million in June 2017.

THE FINANCIAL RESULT

Given the growth of its portfolio exclusively financed by indebtedness, Home Invest Belgium records financial costs increasing from € 1.8 million in June 2017 to € 2.2 million as at June 30th, 2018.

We record a change in the negative evolution of the fair value of our hedges of € 0.6 million, a purely latent amount, excluded from the distributable result.

NET RESULT - NET RESULT FROM CORE ACTIVITIES - DISTRIBUTABLE RESULT

After taking into account the financial costs and taxes, Home Invest Belgium's net result amounts to € 24.9 million.

The net result of the core activities reflects the operating profitability of the company, excluding purely latent factors, and reaches € 4.4 million, a 4.0% increase compared to June 2017 (€ 4.2 million).

Following a lower sales volume than in 2017, the distributable result decreases by 15.5%, from € 5.7 million in June 2017 to € 4.9 million in June 2018.

Balance Sheet

ASSETS	30/06/2018	31/12/2017
I. Non-current assets	484 114 114	459 231 235
B. Intangible assets	428 214	416 024
C. Investment properties	482 734 527	457 864 921
D. Other tangible assets	403 685	391 371
E. Non-current financial assets	100 800	112 033
F. Finance lease receivables	446 887	446 887
II. Current assets	5 278 405	11 058 584
C. Finance lease receivables	90 774	135 752
D. Trade receivables	1 057 830	3 326 818
E. Tax receivables and other current assets	1 970 214	376 707
F. Cash and cash equivalents	2 280 195	7 183 786
G. Deferred charges and accrued income	-120 608	35 521
TOTAL ASSETS	**489 392 519**	**470 289 820**

SHAREHOLDERS' EQUITY		
A. Capital	87 999 055	87 999 055
B. Share premium account	24 903 199	24 903 199
C. Reserves	100 259 573	102 796 510
D. Net result of the financial year	24 917 702	-143 685
SHAREHOLDERS' EQUITY	**238 079 529**	**215 555 079**

LIABILITIES		
I. Non-current liabilities	241 826 393	234 434 882
B. Non-current financial debts	231 264 708	224 745 100
a. Financial debts	191 500 000	185 000 000
c. Others	39 764 708	39 745 100
C. Other non-current financial liabilities	8 641 157	8 060 644
F. Deferred tax liabilities	1 920 529	1 629 138
II. Current liabilities	9 486 597	20 299 859
B. Current financial debts	678 194	10 673 829
a. Financial debts	0	10 000 000
c. Others	678 194	673 829
D. Trade debts and other current debts	7 975 047	8 106 746
b. Others	7 975 047	8 106 746
E. Other current liabilities	78 051	62 656
F. Accrued charges and deferred income	755 305	1 456 627
LIABILITIES	**251 312 990**	**254 734 741**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**489 392 519**	**470 289 820**

Number of shares at end of period [1]	3 288 146	3 288 146
Net asset value	238 079 529	215 555 079
Net asset value per share	72.41	65.56
EPRA NAV [2]	75.03	68.00
Indebtedness	239 996 000	243 588 331
Debt ratio	49.04%	51.80%

[1] The number of shares at the end of the period was calculated without the 11 712 shares held in auto-control.
[2] Corresponds to the value of the net assets adjusted to exclude the fair value of the financial hedging instruments.

ASSETS

The investment properties increased to € 482.7 million compared to € 457.6 million in 2017 (+ 5.5%), as a result of the expansion of the portfolio as explained above, the growth of the assessed values and, notwithstanding, the sales made (see page 3 of the report for more information).

EQUITY

The shareholders' equity increased by 10.45% from € 215.6 million (€ 65.98 per share) in 2017 to € 238.1 million (€ 72.41 per share) in June 2018.

INDEBTNESS

The financing of the new assets being carried out exclusively through debt, indebtness evolves from € 243.6 million to € 240.0 million in June 2018. The debt ratio, however, drops to 49.04% (compared to 51.80% in 2017).

OVERVIEW OF THE FINANCIAL STRUCTURE

At June 30th, 2018, Home Invest Belgium has withdrawn € 191.5 million in bank loans out of a total of € 208 million of available credit lines. The weighted average duration of this bank funding combined with the 2014 bond issue (for € 40 million) is 4 years and 9 months (compared to 5 years as of December 31rst, 2017).

We note that the bank loan contracted with Degroof for € 10 million with due date ending in 2018 has been renegotiated for a similar amount with new conditions and due date in April 2023.

The average funding cost for the first half of this year is 2.11% (compared to 2.09% in 2017 and 2.53% in 2016).

The company's debt ratio stands at 49.04%, leaving the RREC with a debt potential of around € 65 million to reach its 55% of debt and € 225 million to reach the legal authorized maximum of 65%.

Archview, Etterbeek

The Link, Auderghem

Cash Flow

	30/06/2018	30/06/2017
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**7 183 786**	**3 437 814**
1. Cash flow from operating activities	4 499 597	2 823 592
Result for the financial year	24 917 702	8 426 615
Result for the financial year before interest and taxes	27 840 535	8 919 797
Interest received	20 051	35 206
Interest paid	-2 214 500	-1 790 177
Change in fair value of financial assets and liabilities	-587 798	1 429 687
Taxes	-140 586	-167 899
Adjustment of profit for non-current transactions	-20 481 269	-4 140 118
Depreciation and write-downs	74 124	92 300
- Depreciation and write-downs on non-current assets	74 124	92 300
Other non-monetary elements	-20 543 465	-4 379 521
- Changes in fair value of investment properties (+/-)	-21 131 263	-2 949 834
- Other non-current transactions	587 798	-1 429 687
Gain on realization of assets	-11 928	147 104
- Capital gains realized on the sale of non-current assets	-11 928	147 104
Change in working capital needs	63 164	-1 462 905
Movements in asset items:	876 588	-726 784
- Current financial assets	44 978	31 779
- Trade receivables	2 268 987	15 140
- Tax receivables and other short-term assets	-1 593 507	-628 045
- Deferred charges and accrued income	156 129	-145 659
Movements of liabilities items:	-813 424	-736 121
- Trade and other current debts	-127 334	-45 908
- Other current liabilities	15 233	19 954
- Accrued charges and deferred income	-701 323	-710 166
2. Cash flow from investment activities	-3 529 544	-18 521 983
Investment properties - capitalized investments	-2 221 223	-694 088
Investment properties - new acquisitions	0	-6 631 772
Divestments	1 410 316	5 043 089
Development projects	-2 623 956	-15 833 875
Other intangible assets	-31 678	-199 418
Other tangible assets	-66 950	-215 776
Other non-current financial assets	3 946	9 855
3. Cash flow from financing activities	-5 873 644	15 945 228
Changes in financial liabilities and debts		
Increase (+) / Decrease (-) in financial debts	-3 480 392	17 519 608
Dividend of the previous financial year	-2 393 252	-1 574 380
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**2 280 195**	**3 684 650**

Statement of Changes in Shareholders' Equity

	Capital	Capital increase expenses	Share premium	Legal reserve	Reserve from the balance of changes in fair value of investment properties	Reserve from estimated transfer costs and rights
BALANCE AT 31/12/2016	76 949 295	-950 240	24 903 199	98 778	108 428 393	-29 495 716
Transfer						
Changes resulting from the sale of a building					-2 328 291	640 542
Dividend distribution						
Interim dividend of previous year						
Interim dividend						
Changes in the fair value of hedges						
Changes in the fair value of property					17 402 429	-6 107 108
Other increases (decresases)						
BALANCE AT 30/06/2017	76 949 295	-950 240	24 903 199	98 778	123 502 532	-34 962 281
BALANCE AT 31/12/2017	88 949 295	-950 240	24 903 199	98 778	120 301 194	-34 275 030
Transfer						
Changes resulting from the sale of a building					-1 112 046	174 799
Dividend distribution						
Interim dividend of previous year						
Interim dividend						
Changes in the fair value of hedges						
Changes in the fair value of property					6 679 297	-5 854 668
Other increases (decresases)					-20 335	20 335
BALANCE AT 30/06/2018	**88 949 295**	**-950 240**	**24 903 199**	**98 778**	**125 848 110**	**-39 934 563**

	Reserve from the balance of changes in fair value of hedgesreserve for treasury shares (IFRS applicable)	Reserve from the balance of changes in fair value of hedgesreserve for treasury shares (IFRS not applicable)	Reserve for treasury shares	Other reserves	Result carried forward from previous financial years	Net result of the financial year	Total
BALANCE AT 31/12/2016	-1 310 093	-5 944 578	-757 323	1 259 467	25 920 070	6 101 079	205 202 333
Transfer					-6 768 191	6 768 191	0
Changes resulting from the sale of a building					1 687 749		0
Dividend distribution						-13 378 562	-13 378 562
Interim dividend of previous year						11 804 614	11 804 614
Interim dividend						8 426 615	8 426 615
Changes in the fair value of hedges	296 838	-2 025 345			2 025 345		296 838
Changes in the fair value of property						-11 295 322	0
Other increases (decresases)							0
BALANCE AT 30/06/2017	-1 013 255	-7 969 924	-757 323	1 259 467	22 864 973	8 426 615	212 351 837
BALANCE AT 31/12/2017	0	-9 280 017	-686 943	1 259 467	25 379 059	-143 685	215 555 079
Transfer					-3 361 566	3 361 566	0
Changes resulting from the sale of a building					937 248		0
Dividend distribution						-14 359 510	-14 359 510
Interim dividend of previous year						11 966 258	11 966 258
Interim dividend						24 291 962	24 291 962
Changes in the fair value of hedges		1 226 658			-1 226 658		0
Changes in the fair value of property						-824 629	0
Other increases (decresases)							0
BALANCE AT 30/06/2018		**-8 053 358**	**-686 943**	**1 259 467**	**21 728 083**	**24 917 702**	**238 079 529**

SEGMENTED INFORMATION

Home Invest Belgium decided to focus its investment strategy on residential real estate in the broadest sense of the term (apartment buildings, houses, studio apartments for students, second residences, etc.).

Its investment strategy is therefore largely determined by the geographical location of the buildings concerned. Consequently, the following segmentation is based here upon.

INCOME STATEMENT BY REGION

30/06/2018	Consolidated Total	Brussels-Capital Region	Flemish Region	Walloon Region	The Netherlands	Unattributed
I. Rental Income (+)	12 108 196	7 079 593	1 039 096	2 616 123	1 373 384	
OPERATING RESULT BEFORE PORTFOLIO RESULT	6 697 344	6 356 822	956 961	2 512 614	1 271 323	-4 400 375
XVI. Result sale investment properties (+/-)	11 928	29 183	0	0		-17 254
XVIII. Changes in fair value of investment properties (+/-)	21 422 816	15 755 176	2 193 549	2 471 881	1 002 210	
FINANCIAL RESULT	-2 782 248	17 383				-2 799 631

30/06/2017	Consolidated Total	Brussels-Capital Region	Flemish Region	Walloon Region	The Netherlands	Unattributed
I. Rental Income (+)	10 959 995	6 059 629	996 739	2 649 457	1 254 171	
OPERATING RESULT BEFORE PORTFOLIO RESULT	6 117 067	5 306 593	918 896	2 449 648	1 161 884	-3 719 954
XVI. Result sale investment properties (+/-)	-147 104	-167 928	137 735	0		-116 911
XVIII. Changes in fair value of investment properties (+/-)	2 949 834	2 460 010	-167 825	-568 221	1 225 871	
FINANCIAL RESULT	-325 284	22 184				-347 468

KEY FIGURES[1]

30/06/2018	Consolidated Total	Brussels-Capital Region	Flemish Region	Walloon Region	The Netherlands
Fair value	463 041 441	301 017 655	42 177 605	70 365 789	49 480 392
Rental surface	197 551	111 572	20 126	45 320	20 533
Number of units	2 230	1 269	259	414	288
Occupancy rate	89.4%	86.7%	88.9%	92.0%	100.0%

30/06/2017	Consolidated Total	Brussels-Capital Region	Flemish Region	Walloon Region	The Netherlands
Fair value	408 317 650	253 931 980	38 014 501	67 650 580	48 720 588
Rental surface	186 383	104 111	16 727	45 012	20 533
Number of units	2 085	1 125	258	414	288
Occupancy rate	91.2%	89.3%	86.1%	93.7%	100.0%

[1] Excluding development projects and assets held for sale.

EXPLANATORY NOTES

	30/06/2018	30/06/2017
C. Investment properties, balance at the beginning of the financial year	**457 864 921**	**408 833 729**
a. Investment properties		
Balance at the beginning of the financial year	423 105 968	381 316 652
Completion of buildings under construction	17 611 577	21 695 358
Acquisition of buildings	0	6 631 772
Capitalized subsequent expenses	2 846 963	1 230 229
Gains (losses) from fair value adjustments	21 422 816	2 949 834
Cessions (-)	-1 398 388	-5 190 193
Balance at the end of the financial year	**462 963 196**	**408 633 653**
b. Development projects		
Balance at the beginning of the financial year	34 758 953	27 517 077
Investments – development projects	2 623 956	9 759 188
Other withdrawals	0	6 074 687
Completion of development projects	-17 611 577	-21 695 358
Acquisition of buildings via merger		
Balance at the end of the financial year	**19 771 332**	**21 655 593**
c. Properties for own use		
d. Others		
C. Investment properties, closing balance at the end of the financial year	**482 734 527**	**430 289 246**

SCOPE OF CONSOLIDATION

As at June 30th, 2018, the scope of consolidation is identical to that of December 31st, 2017. It includes the S.A. Home Invest Belgium (0420.767.885), the Sprl Charlent 53 Freehold (0536.280.237), the S.A. Investers (0405.083.876) and the S.A. S&F Immobilière (0419.957.045).

DISTRIBUTED DIVIDEND

The General Meeting of May 2nd, 2018 approved the appropriation of the result proposed by the Board of Directors. A gross dividend of € 4.50 per share has thus been distributed. Taking into account the interim dividend paid in December 2017 in the gross amount of € 3.75 (coupon n° 23), the balance of the dividend for the 2017 financial year in the gross amount of € 0.75 (coupon n° 24) was paid on May 17th, 2018. As a reminder, the dividend distributed by the RREC is subject to a 30% withholding tax.

CONTINGENT ASSETS AND LIABILITIES AT JUNE 30th, 2018

At June 30th 2018, apart from an advance payment of € 1 675 000 which has been paid out for the acquisition of the company BE Real Estate S. A., Home Invest Belgium does not have any contingent assets nor liabilities.

FINANCIAL ASSETS AND LIABILITIES

The figures listed in the table below relate solely to debts owed to financial institutions:

Financial debts at 30/06/2018	Amount confirmed credit lines	Amount drawn	Average duration
Bank debts	208 000 000	191 500 000	4 y and 6 m
Belfius	61 500 000	61 500 000	4 y and 4 m
BNP Paribas Fortis	46 500 000	43 000 000	6 y
ING	60 000 000	47 000 000	4 y
KBC Bank	30 000 000	30 000 000	2 y and 5 m
Degroof	10 000 000	10 000 000	4 y and 10 m
Bond issue	40 000 000	40 000 000	4 y and 6 m
Issue of June 18th, 2014	40 000 000	40 000 000	6 y
TOTAL	**248 000 000**	**231 500 000**	**4 y and 9 m**

The table below lists the credit lines opened with each bank and their average maturity. No contracted line matures in the second semester of 2018.

At June 30th, 2018, Home Invest Belgium had € 16 500 000 available on its bank credits. All credit lines are contracted at a variable rate.

Hedge instruments active at 30/06/2018	Type	Amount	Interest rate	Deadline	Qualification	Fair value 30/06/2018
Belfius	IRS	10 000 000	1.16%	10/11/2024	Transaction	-526 922
Belfius	IRS	10 000 000	1.06%	10/11/2024	Transaction	-460 902
Belfius	IRS	15 000 000	1.965%	10/11/2027	Transaction	-1 789 901
Belfius	IRS	21 500 000	0.585%	10/11/2025	Transaction	-159 642
BNP Paribas Fortis	IRS	25 000 000	1.199%	30/09/2027	Transaction	-1 128 368
BNP Paribas Fortis	IRS	21 500 000	0.40%	30/11/2021	Transaction	-164 400
ING	IRS	10 000 000	1.60%	14/04/2026	Transaction	-860 410
ING	IRS	15 000 000	0.35%	01/06/2022	Transaction	-49 345
ING	IRS	20 000 000	1.896%	15/12/2025	Transaction	-2 098 451
KBC	IRS	15 000 000	0.087%	05/05/2021	Transaction	-97 464
Hedge of the IRS type		**163 000 000**		**6 years and 6 months**		**-7 335 805**

Forward hedge instruments	Type	Amount	Interest rate	Start	Deadline	Qualification	Fair value 30/06/2018
ING	IRS	20 000 000	1.896%	14/12/2021	14/12/2025	Transaction	-722 477
ING	IRS	15 000 000	2.340%	14/11/2021	14/05/2024	Transaction	-582 875
		35 000 000					-1 305 352

The interest rate hedges are exclusively of the IRS type (Interest Rate Swap) which are contracts for swapping variable interest rates for fixed interest rates. At June 30th, 2018, the total nominal sum of the IRS hedges amounts to € 163 million as shown in the above table.

The non-current financial liabilities relate to the IRS, whose negative fair value amounts to € 8 641 157 at the closing date of the half-year. All hedge instruments are not considered as hedge accounting in the sense of IFRS 9.

ACCOUNTING

In accordance with IFRS 9, at June 30th, 2018, the negative fair value of financial instruments is registered as a liability under item I.C. "Other non-current financial liabilities", for a total amount as stated below. The consideration is registered as follows:

Fair value of financial instruments as at 30/06/2018	In the income statement under heading XXIII "Changes in fair value of financial assets and liabilities (+/-)"	In shareholders' equity under the heading "d. Reserve from the balance of changes in fair value of authorised hedges to which hedge accounting according to IFRS is applied (+/-)"	In shareholders' equity under the heading "n. Income brought forward from previous years (+/-)"
Effective instruments			
Ineffective instruments (change in 2018)	-587 798		
Effective hedges (previous year)			
Ineffective hedges (previous year) [1]			-8 053 358
TOTAL	**-587 798**	**0**	**-8 053 358**
OVERALL TOTAL		**-8 641 157**	

The credit lines are registered under the item "Non-current and current financial debts". The financial debts are registered under amortized cost which corresponds to the fair value.

IFRS 13 provides for a hierarchy of fair values at 3 levels of input data (levels 1,2 and 3) and applies to IFRS that require or allow fair value measurements or the disclosure of information on the fair value and therefore IFRS 9.

Regarding financial instruments, all fair values are level 2. Given that it has no other level than level 2, Home Invest Belgium has not implemented a policy for monitoring transfers between hierarchical levels.

The valuation is carried out by the banks on the basis of the present value of the estimated future cash flows.

Although most of the derivative instruments used are considered trading instruments (transaction) in the sense of the IFRS standards, they are exclusively intended for hedging the interest rate risk and not for speculative purposes.

Trône, Brussels

Port Zélande, Ouddorp (The Netherlands)

[1] The changes in fair value in previous financial years recognised in the income statement have since been assigned to Earnings brought forward from previous years.

ADDITIONAL ANNEX

IFRS 9 – Financial instruments
(entry into force on 1 January 2018)
The IFRS 9 standard was finalized and published by the IASB in July 2014 and adopted by the EU in November 2016. IFRS 9 contains the provisions relating to the classification and valuation of financial assets and liabilities, the depreciation of financial assets and general hedge accounting. IFRS 9 replaces most of standard IAS 39 – Financial instruments: Accounting and measurement.

On the basis of an analysis of Home Invest Belgium SA's situation at June 30th, 2018, the IFRS 9 standard doesn't have any material impact on the consolidated financial statements. As regards the depreciation of financial assets measured at amortized cost, including trade receivables and finance lease receivables - if applicable - the initial application of the expected credit loss model in accordance with IFRS 9 leads to the early carrying of credit losses as compared to the incurred credit loss model applied in accordance with IAS 39. Given the relatively low amounts of the trade receivables and finance lease receivables combined with the associated low credit risk, Home Invest Belgium SA does not register any material impact on the consolidated financial statements.

IFRS 15 – Revenue from ordinary activities from contracts with customers (entry into force on 1 January 2018)
Standard IFRS 15 establishes a single comprehensive model for the recognition of revenue from ordinary activities from contracts with customers. At the time of its entry into force, the new standard replaces IAS 18 which covers revenue from sales of goods and service provision and IAS 11 which relates to construction contracts for third parties and related interpretations.

Standard IFRS 15 does not have any material impact on the consolidated financial statements of Home Invest Belgium SA

Xavier de Bue, Uccle

because leases do not fall under the scope of the standard and are the main source of revenue for Home Invest Belgium SA The principles of standard IFRS 15 are nevertheless applicable to the non-lease components which may be included in leases or in separate agreements, such as maintenance services charged to the tenant.
Given that such non-lease components are relatively limited and mainly relate to services accounted for gradually in accordance with both standard IFRS 15 and standard IAS 18, Home Invest Belgium SA does not see any material impact in this regard.

Home Invest Belgium has not applied the following new standards, interpretations and amendments which have been published but did not yet enter into force:

IFRS 16 – Leases (entry into force on 1 January 2019)
Standard IFRS 16 provides a comprehensive model for identifying leases and the way they are treated in the lessee's and lessor's financial statements. It will replace standard IAS 17 – Leases as well as the related interpretations once it enters into force. The EU has not yet adopted IFRS 16. IFRS 16 introduces significant changes as regards the lessee's accounting with the removal of the distinction between ordinary lease and finance lease and the accounting of assets and liabilities for all leases (with exceptions limited to short-term leases and rental of low-value assets). Unlike the accounting by the lessee, standard IFRS 16 maintains the substance of the provisions of standard IAS 17 – Lease agreements regarding accounting by the lessor and keeps the obligation for the lessor to categorize a lease as either an ordinary lease or a finance lease..

Given that Home Invest Belgium SA acts almost exclusively as a lessor and has chosen not to re-assess whether a contract is or contains a lease with regard to IAS 17, standard IFRS 16 should not have a material impact on its consolidated financial statements. In the limited cases in which Home Invest Belgium SA is the lessee under contracts categorized as ordinary leases according to IAS 17 and not subject to the exemptions of standard IFRS 16 (e.g. car rentals, buildings used by the group, etc.), an asset under the right to use and a related liability will have to be recorded in the consolidated financial statements.

Recalculation of the financial year 2017
In compliance with IAS 8, Home Invest Belgium made a recalculation of its financial year 2017 in order to take into account the IAS 12 deferred tax. Indeed, when closing 2017, the deferred tax deriving from a potential sale of the Port Zélande portfolio had not been taken into account. Following this, a provision of € 0.8 million has been entered into the accounts in 2017 under the section "XIX. Other results on portfolio" of the consolidated result. This provision is purely latent and does not have any impact on the distributable result of the company.

Statutory Auditor's Report

Report on the review of the interim condensed consolidated financial statements as of June 30th, 2018 and for the six month period then ended.

INTRODUCTION

In the context of our appointment as the company's statutory auditor, we conducted a review of the interim consolidated balance sheet of Home Invest Belgium at 30 June 2018 and the interim consolidated statements of income, consolidated changes in equity and consolidated cash flows for the six months ending on that date, and notes comprising a summary of significant accounting policies and other explanatory notes. These statements show a consolidated statement of financial position total of EUR 489 392 519 and a consolidated profit for the six-month period of EUR 24 917 702. The Board of Directors is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standards Repository, as approved by the European Union, applicable to the communication of interim financial reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

SCOPE OF THE REVIEW

We conducted our review in accordance with IRSE Standard 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" applicable to review engagements. A review of interim financial information consists of making inquiries, primarily with persons responsible for financial and accounting matters and applying analytical procedures and other review procedures. The scope of a review is substantially less than that of an audit conducted in accordance with ISA standards and consequently does not enable us to obtain assurance that we would become aware of all significant facts that might be identified in an audit. Accordingly, we do not express an audit opinion on this consolidated interim financial information.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements does not present fairly, in all material respects, the consolidated financial position of the entity at 30 June 2018, and its financial performance and cash flows for the six month period ending on that date, in accordance with IAS 34, as approved by the European Union.

Antwerp, 5 September 2018

Grant Thornton, auditors, represented by
Philip Callens
Company auditor and auditor approved by the FSMA for UCI's
Statutory Auditor

Statement of the responsible persons

In accordance with article 13§2, 3° of the Royal Decree of November 14th, 2007, The Board of Directors and the effective leaders of Home Invest Belgium, hereby state that, to their knowledge:

a) the set of abridged financial statements, drawn up in accordance with the applicable accounting standards, provides a true and fair view of the assets, financial situation and results of the RREC and of the companies included in the consolidation;

b) the interim management report contains a true and fair disclosure of the required information, in particular that referred to in § 5 and 6 of article 13 of the RD of November 14th, 2007.

The HIB Team

Shareholder's Calendar

2018	
Half-year financial report: results on June 30th, 2018	Thursday, September 6th, 2018
Interim statement: results on September 30th, 2018	Thursday, October 25th, 2018

2019	
Annual press release on the financial year 2018	Thursday, February 21st, 2019
Publication of the annual financial report on the website	Friday, March 29th, 2019
Ordinary general meeting of the financial year 2018	Tuesday, May 7th, 2019
Interim statement: results on March 31st, 2019	Tuesday, May 7th, 2019
Payment of the dividend of the financial year 2018	Friday, May 17th, 2019
Half-year financial report: results on June 30th, 2019	Thursday, September 5th, 2019
Interim statement: results on September 30th, 2019	Thursday, October 24th, 2019

FOR FURTHER INFORMATION:

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ABOUT HOME INVEST BELGIUM

Since its creation in 1999, Home Invest Belgium has been a Belgian real estate company listed on the stock market and specialized in residential property for the letting market and certains forms of tourist accommodation. As the owner of a portfolio of over € 460 million, it makes quality residential real estate available to its tenants and provides them with professional management services. Home Invest Belgium also develops its own projects to ensure the growth of its portfolio and also conducts regular arbitrage on a fraction of its portfolio. Its portfolio is located in Belgium and in the Netherlands.

Home Invest Belgium is listed on the Euronext Brussels continuous market (HOMI) and enjoys the Belgian tax status of an RREC (SIR/GVV).

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